

**Memorandum**

Date . DEC 30 1992

From Bryan B. Mitchell *Bryan Mitchell*  
Principal Deputy Inspector General

Subject Public Health Service Contract Pre-Award Audits Issued During  
Fiscal Year 1991 (A-02-92-02518)

To James O. Mason, M.D., Dr. P.H.  
Assistant Secretary for Health

Attached for your information is our final report summarizing 50 contract pre-award audit reports issued by the Office of Audit Services in Fiscal Year (FY) 1991. Our examination indicated that a majority of the proposals we reviewed contained overstated and unsupported projected costs of approximately \$85 million. We also found that, for those pre-award reports resolved, the Public Health Service (PHS) continues to sustain a significant amount of the findings of overstated or otherwise unreasonable costs. Where proposals were eventually awarded, the PHS concurred in about \$4.8 million of recommended audit adjustments and reduced funding by about \$12.6 million because of costs set aside (costs which were undocumented) by our audits. Further, regarding proposals in our review which were not funded by PHS, there were \$8 million in audit adjustments and about \$45 million in costs set aside. The remaining \$15 million in questionable proposed charges were justified by additional documentation or other evidence of allowability or reasonableness.

Current Federal Acquisition Regulations provide that contracting officers shall request pre-award audits from the cognizant audit agency before negotiating any contracts or modifications for proposals that exceed \$500,000 unless information available to them is considered adequate to determine the reasonableness of the proposed costs or prices.

We believe that the pre-award review process has resulted in significant savings for PHS during FY 1991. We plan to continue to work with your staff in a cooperative effort to ensure that program funds are properly managed and that proposed expenditures are appropriate.

If you have any questions, please call me or have your staff contact Daniel W. Blades, Assistant Inspector General for Public Health Service Audits, at (301)443-3582.

Attachment

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**PUBLIC HEALTH SERVICE CONTRACT  
PRE-AWARD AUDITS ISSUED DURING  
FISCAL YEAR 1991**



DECEMBER 1992    A-02-92-02518

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From Bryan B. Mitchell *Bryan Mitchell*  
Principal Deputy Inspector GeneralSubject Public Health Service Contract Pre-Award Audits Issued During  
Fiscal Year 1991 (A-02-92-02518)To James O. Mason, M.D., Dr. P.H.  
Assistant Secretary for Health

This report provides you with a summary of the results of 50 contract pre-award audit reports completed for the Public Health Service (PHS) Operating Divisions (OPDIV) by the Office of Audit Services (OAS) in Fiscal Year (FY) 1991. In FY 1991, PHS awarded 6,568 cost reimbursable contracts for about \$1.5 billion. The audits were conducted in response to requests received from the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA), the Centers for Disease Control and Prevention, the Health Resources and Services Administration, and the National Institutes of Health for pre-award field audits on proposals that predominantly exceeded \$500,000. In FY 1991, PHS data shows that 723 cost reimbursable contracts for amounts over \$500,000 were awarded for a total of about \$1 billion. The primary objectives of our pre-award audits were to express an opinion on the reasonableness, allocability and allowability of the costs proposed by the offerors and to determine whether their accounting and administrative systems were adequate for accumulating and segregating costs under a Government cost reimbursement type award.

In FY 1991, OAS issued 50 pre-award audit reports covering proposed costs that totaled approximately \$332 million. Our examination of the FY 1991 issued reports indicated that a majority of the 50 proposals we reviewed contained overstated projected costs. Specifically, the reports included recommended adjustments totaling about \$13 million and set aside (i.e., we could not render an opinion) another \$72 million in proposed costs. Thus, in total we questioned the reasonableness of about \$85 million, or almost 26 percent of the proposed costs reviewed, and accepted (considered reasonable) \$247 million in proposed costs. The percentage of proposed costs recommended for adjustment or set aside in the FY 1991 reports represented a 3 percent decrease from the 29 percent of the proposed costs found unreasonable in our FY 1990 reviews.

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<sup>1</sup> Effective October 1, 1992, ADAMHA became Substance Abuse and Mental Health Services Administration.

Although budget restrictions have limited the resources we had available to perform a larger number of pre-award audits, our aim is to continue to perform as many pre-award audits as our resources permit to assist PHS in reducing excessive awards and ensure better management of scarce Federal resources.

#### BACKGROUND

This is the third report issued by OAS summarizing PHS contract pre-award audits. Our last report entitled "Summary Report on Public Health Service Contract Pre-Award Audits Issued During Fiscal Year 1990 (A-02-90-02506)" was issued in November 1991. In FY 1991, PHS awarded about 6,568 cost reimbursable contract agreements for about \$1.5 billion of which \$1 billion was for awards over \$500,000. Six PHS agencies and the Office of the Assistant Secretary for Health issued contracts to procure research, training, and program services; supplies and equipment; construction and other miscellaneous projects (see Appendix A).

Four PHS agencies requested OAS to perform the 50 contract pre-award audits we finalized during FY 1991. The 50 requests related to research and service type proposals. The majority of the reviews were requested by the OPDIVs in accordance with Federal Acquisition Regulations (Chapter I, section 15.805-5(a)(1) of Title 48 of the Code of Federal Regulations). These regulations stipulate that when cost or pricing data are required, contracting officers shall request a field pricing report (i.e., pre-award audit) from the cognizant audit agency before negotiating any contracts or modifications from proposals that exceed \$500,000. The contracting officers are not obligated to request field pricing reviews if information available to them is considered adequate to determine the reasonableness of the proposed costs or prices.

#### SCOPE AND METHODOLOGY

The objective of this report is to provide the Assistant Secretary for Health with an overview of the pre-award audits finalized by OAS in FY 1991, and the actions taken by the responsible PHS agencies in awarding funds to the contractors. In compiling this report, we requested information from all OAS regional offices and PHS' audit resolution offices.

The pre-award reviews were conducted primarily by OAS regional offices throughout their respective geographic areas with assistance from the Defense Contract Audit Agency and certified public accounting firms. Each OAS Region coordinated the audit work with the responsible PHS agency and provided them with verbal results of the pre-award audits to ensure that the OPDIVs received the information in time to conduct their negotiations. Subsequently, written reports of

the results of the pre-award audits were issued to the OPDIVs under separate Common Identification Numbers.

All the pre-award reviews were made in accordance with generally accepted government auditing standards. In performing each review, we conducted such tests and other auditing procedures considered necessary to determine if the offeror's accounting system and related internal controls were adequate to ensure adequate administration of a prospective award. The audits evaluated the propriety of the budgets proposed by the offerors but not the technical aspects of the proposals.

PRE-AWARD REVIEWS IDENTIFY \$85 MILLION  
IN COSTS NOT ACCEPTED

Our analysis of the 50 pre-award audit reports issued in FY 1991 disclosed that OAS found \$85 million of \$332 million in proposed costs not to be acceptable, primarily due to overstatements of labor, fringe benefits, and other than personnel service costs (OTPS) or lack of supporting documentation. The costs in question consisted of recommended audit adjustments and costs set aside for adjudication by the awarding OPDIVs (see Appendix B). Specifically, our review showed that 41 reports issued by OAS recommended financial audit adjustments totaling about \$13 million, or approximately 4 percent of the proposed costs reviewed, while 7 reports found all of the proposed costs to be acceptable. We also noted that 36 of the 50 reports issued set aside nearly \$72 million in proposed costs for adjudication by the responsible OPDIVs.

The recommended \$13 million in financial audit adjustments included nearly \$3.2 million in direct labor costs and applicable fringe benefits, \$6.4 million OTPS costs and \$3.7 million in indirect costs. The \$72 million in costs set aside included \$12.2 million of direct labor costs and applicable fringe benefits, \$48.5 million in OTPS costs and \$11 million of indirect costs. Costs are set aside for the most part because of the absence of supporting documentation.

PRE-AWARD REVIEWS RESULTED IN COST SAVINGS

Our review of records concerning the resolution of the audited proposals negotiated by the OPDIVs disclosed that PHS either sustained many of our recommended findings or did not make awards to the offerors. Of the 50 proposals covered by our audits, PHS had completed negotiations on 48 proposals including 38 for which our reviews recommended audit adjustments of about \$14 million. Of this amount, we noticed that the OPDIVs had sustained audit adjustments of about \$4.8 million for 17 offerors where we had reported about

\$5.7 million in adjustments and did not award funding to 21 other offerors, where we had reported about \$8 million in adjustments, as illustrated in Appendix B.

While the resolution records we reviewed did not specifically indicate that prospective contractors were denied funding because of our recommendations, we believe our pre-award reviews had a considerable effect on these decisions. For the 21 proposals not awarded by the OPDIVs, we had questioned the reasonableness of about \$53 million including over \$8 million in audit adjustments and nearly \$45 million in costs set aside for resolution by the OPDIVs.

Although actions taken by OPDIVs relating to costs set aside by our audits are not included in the audit tracking system, we learned that the OPDIVs also reduced the proposals of 13 offerors by about \$13 million of the \$19 million in costs set aside by our audits.

We believe that substantial savings and improved financial management accrued to PHS programs because of proposal audits by OAS. We noted that in FY 1991, PHS awarded 723 cost reimbursable contracts in excess of \$500,000 totaling about \$1 billion in funding (see Appendix C). Field reviews by OAS in this category included proposals totaling about \$332 million.

We recognize that, in many instances, the OPDIVs are capable of performing adequate reviews of the proposals, based upon available data, telephone contacts and, in some cases, site visits prior to final award. We are also aware that financial adjustments result from these reviews. However, the results of our analysis demonstrate, in our opinion, the value of pre-award audits. We believe the pre-award audit process has resulted in significant savings for PHS during FY 1991.

Although budget restrictions have limited the resources we have available to perform a larger number of pre-award audits, we plan to continue to work with your staff in a cooperative effort to ensure that program funds are properly managed and that proposed expenditures are appropriate.

#### CONCLUSIONS

Our summary of the 1991 pre-award audits for selective OPDIVs and their subsequent negotiating actions demonstrate again that offerors, in many instances, are overstating and poorly documenting their proposed costs. Our examination of several negotiation agreements indicated that the OPDIVs continue to consider the results of our audits in determining the funding amounts to be awarded. We recognize that every proposal may not need to be reviewed by OAS and that we do not have

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sufficient resources available to field review each proposal. However, our involvement in pre-award audit activities indicated significant savings and other benefits to the programs.

If you have any questions or comments regarding the matters discussed in this report, please call me or have your staff contact Daniel W. Blades, Assistant Inspector General for Public Health Service Audits, at (301)443-3582.

# APPENDICES



## LIST OF ABBREVIATIONS

ADAMHA	Alcohol, Drug Abuse and Mental Health Administration
AHCPR	Agency for Health Care Planning and Research
CDC	Centers for Disease Control
FDA	Food and Drug Administration
FY	Fiscal Year
HRSA	Health Resources and Services Administration
IHS	Indian Health Service
NIH	National Institutes of Health
OAS	Office of Audit Services
OASH	Office of the Assistant Secretary for Health
OPDIV	Operating Division
OTPS	other than personnel service
PHS	Public Health Service

APPENDIX A

**FISCAL YEAR 1991 PRE-AWARD AUDITS SUMMARY REPORT**  
**SCHEDULE OF FY 1991 CONTRACTS AWARDED BY PHS**

COMMON IDENTIFICATION NUMBER A-02-91-02518

**CONTRACTS AWARDED AND PREAWARD  
AUDITS REQUESTED - BY AGENCY:**

<u>AGENCY</u>	<u>CONTRACTS</u>		<u>COST REIMBURSABLE</u>		<u>AUDITS REQUESTED</u>	
	<u>NUMBER</u>	<u>DOLLARS</u>	<u>NUMBER</u>	<u>DOLLARS</u>	<u>*NUMBER</u>	<u>DOLLARS</u>
ADAMHA	483	160.9	454	158.5	4	74.7
CDC (1)	866	137.4	301	84.6	6	87.4
FDA	535	61.0	149	34.2	0	0.0
HRSA	405	43.0	229	32.1	1	1.7
IHS	4,027	507.9	2,385	398.8	0	0.0
NIH	3,994	960.3	2,832	732.3	39	168.6
OASH (2)	488	101.6	218	62.6	0	0.0
AHCPR	0	0.0	0	0.0	0	0.0
<b>TOTALS</b>	<b>10,798</b>	<b>\$1,972.1</b>	<b>6,568</b>	<b>\$1,503.1</b>	<b>50</b>	<b>\$332.4</b>

(1) CDC figures include eight contracts for \$10.0 million issued on behalf of ATSDR.

(2) OASH figures include procurements executed on behalf of other components.

**CONTRACTS AWARDED AND PRE-AWARD  
AUDITS REQUESTED - BY MAJOR CATEGORY:**

<u>CATEGORY TYPE</u>	<u>CONTRACTS</u>		<u>COST REIMBURSABLE</u>		<u>AUDITS REQUESTED</u>	
	<u>NUMBER</u>	<u>DOLLARS</u>	<u>NUMBER</u>	<u>DOLLARS</u>	<u>*NUMBER</u>	<u>DOLLARS</u>
RESEARCH	3,010	686.2	2,688	655.6	38	163.1
SERVICES	6,213	1,029.2	3,745	812.2	12	169.3
SUPPLIES & EQUIP.	551	99.1	32	5.5	0	0.0
CONSTRUCTION	923	145.6	13	18.5	0	0.0
OTHERS	101	12.0	90	11.3	0	0.0
<b>TOTALS</b>	<b>10,798</b>	<b>\$1,972.1</b>	<b>6,568</b>	<b>\$1,503.1</b>	<b>50</b>	<b>\$332.4</b>

(Dollars in millions)

\* Agencies only requested contract audits

## APPENDIX B

**FISCAL YEAR 1991 PRE-AWARD AUDITS SUMMARY REPORT**  
**SCHEDULE OF REPORTS ISSUED**  
**COMMON IDENTIFICATION NUMBER A-02-92-02518**

ADJUDICATIONS										
CIN	PREAWARD AUDIT TITLE	TOTALS AUDITED		RECOMM. ADJTS.	COSTS SET ASIDE	TOTAL NON ACCEPTED COSTS	RECOMMENDED FINANCIAL ADJUSTMENTS			COSTS SET ASIDE
		NUMBER	PROPOSED COSTS				CONCURRED	NOT CONCURRED	NOT AWARDED	
ADJUDICATED REPORTS W/CONCURRED FINDINGS										
A01-91-01513	MAINE DEPARTMENT OF HUMAN SERVICES	1	5,637,351	482,909	439,389	922,298	482,909	0	0	264,817
A02-90-02520	MONTEFIORE MEDICAL CENTER	1	939,049	59,306	227,034	286,340	59,306	0	0	227,034
A02-91-02512	NJ DEPT. OF HEALTH (NJ DOH)	1	8,837,493	1,193,079	0	1,193,079	1,193,079	0	0	0
A02-91-02513	HEALTH RESEARCH INC. & NYS DOH	1	14,075,343	1,829,773	0	1,829,773	1,829,773	0	0	0
A02-91-02902	STARKS ASSOCIATES INC.	1	2,366,711	444,034	0	444,034	45,868	0	0	0
A03-90-03352	SEMA, INC.	1	1,194,519	29,639	0	29,639	29,639	0	0	0
A03-91-03312	WEST VIRGINIA DOH & HUMAN RESOURCES	1	4,293,621	463,984	435,819	899,803	170,711	0	0	435,819
A03-91-03317	ASPEN SYSTEMS CORPORATION	1	42,459,270	78,141	7,804,492	7,882,633	78,141	0	0	7,804,492
A03-91-03318	ACADEMY FOR ED. DEVELOP.	1	14,238,584	84,320	6,482,664	6,566,984	84,320	0	0	1,410,685
A03-91-03321	JOHN HOPKINS UNIVERSITY	1	4,076,609	20,383	2,033,082	2,073,465	20,383	0	0	1,778,481
A03-91-03343	UNIVERSITY OF PITTSBURGH	1	1,088,869	16,052	130,790	166,842	16,052	0	0	130,790
A04-91-04082	UNIVERSITY OF ALABAMA-BIRMINGHAM	1	1,347,386	361,539	0	361,539	361,539	0	0	0
A04-91-04084	UNIVERSITY OF NORTH CAROLINA	1	2,004,159	120,334	378,366	498,700	120,334	0	0	378,366
A05-91-00049	MICHIGAN DEPT. OF PUBLIC HEALTH	1	9,840,924	268,761	57,883	326,644	124,532	0	0	20,748
A05-91-00056	ALDRICH CHEMICAL COMPANY INC.	1	2,489,374	76,327	0	76,327	76,327	0	0	0
A05-91-00087	ASH STEVENS, INC.	1	2,618,758	0	427,500	427,500	0	0	0	3,000
A06-91-00040	NEW MEXICO HEALTH & ENVIRONMENTAL DEPT.	1	4,613,163	88,809	433,848	522,637	25,292	0	0	64,972
A10-90-00033	UNIVERSITY OF WASHINGTON	1	2,485,377	0	182,997	182,997	0	0	0	13,613
A10-91-00015	FRED HUTCHINSON CANCER RESEARCH CENTER	1	4,558,907	52,332	223,635	275,987	52,332	0	0	51,374
SUBTOTAL		19	\$129,165,667	\$5,669,762	\$19,297,499	\$24,967,261	\$4,770,557	\$0	\$0	\$12,604,191
ADJUDICATED REPORTS W/NONCONCURRED FINDINGS										
A01-91-01500	BOSTON UNIVERSITY SCHOOL OF MEDICINE	1	3,765,000	159,592	274,102	433,694	0	159,592	0	0
ADJUDICATED REPORTS - CONTRACTS NOT AWARDED										
A02-90-02521	ST. LUKE/ROOSEVELT HEALTH SERVICES INST.	1	480,006	0	102,893	102,893	0	0	0	0
A02-91-02511	MOUNT SINAI SCHOOL OF MEDICINE	1	2,917,675	138,434	78,327	216,761	0	0	138,434	0
A02-91-02513	GORDON S. BLACK CORP.	1	24,437,366	624,439	18,128,082	18,752,541	0	0	624,439	0
A02-91-02519	MINGO GROUP INC.	1	1,954,133	258,994	1,120,230	1,379,224	0	0	258,994	0
A02-91-02907	UNIVERSITY OF ROCHESTER	1	4,337,043	62,333	834,628	897,181	0	0	62,333	0
A02-91-02908	ISTITUTIO SUPERIORE DE SANITA	1	15,057,093	1,599,827	1,027,600	2,627,427	0	0	1,599,827	0
A03-90-03351	CYGNUS KOPORATION	1	2,001,204	183,982	0	183,982	0	0	183,982	0
A03-91-03311	PENNSYLVANIA DEPT. OF HEALTH	1	1,120,185	8,428	66,494	74,922	0	0	8,428	0
A03-91-03314	EQUIFAX QUICK TEST	1	13,946,765	1,101,216	3,892,272	6,993,488	0	0	1,101,216	0
A03-91-03315	FOX CHLSE CANCER CENTER	1	2,897,523	544,182	332,819	877,001	0	0	544,182	0
A03-91-03316	HEALTH PROMOTION COUNCIL	1	4,599,039	43,781	930,692	976,473	0	0	43,781	0
A03-91-03335	UNIVERSITY OF MARYLAND	1	6,735,356	638,874	814,161	1,473,035	0	0	638,874	0
A03-91-03336	JOHN HOPKINS UNIVERSITY	1	880,882	3,369	67,492	72,861	0	0	3,369	0
A03-91-03337	GEORGE WASHINGTON UNIVERSITY	1	562,210	86,014	0	86,014	0	0	86,014	0
A04-91-04034	FLORIDA DOH REHABILITATION SERVICES	1	11,832,978	1,307,033	10,193,995	11,701,048	0	0	1,307,033	0
A05-91-00058	NATIONAL OPINION RESEARCH CENTER	1	13,740,306	809,227	2,980,953	3,790,180	0	0	809,227	0
A08-91-004117	NORTH DAKOTA DOH AND CONSOLIDATED LABS.	1	3,400,291	182,940	885,635	1,066,575	0	0	182,940	0
A07-91-00412	IOWA DEPT. OF PUBLIC HEALTH	1	5,648,899	112,403	640,180	752,585	0	0	112,403	0
A09-90-00138	UNIVERSITY OF CALIFORNIA	1	815,679	38,236	114,018	152,254	0	0	38,236	0
A09-90-00153	MEDICAL RESEARCH INST. OF SAN FRANCISCO	1	1,346,446	1,618	106,701	108,319	0	0	1,618	0
A09-91-00062	L.A. COUNTY PUBLIC HEALTH FOUNDATION	1	2,521,217	35,710	197,073	232,783	0	0	35,710	0
SUBTOTAL		21	\$123,252,496	\$8,005,302	\$44,512,245	\$52,517,547	\$0	\$0	\$8,005,302	\$0
SUBTOTAL REPORTS WITH FINDINGS ADJUDICATED										
		41	256,183,163	13,834,656	64,083,846	77,918,502	4,770,557	159,592	8,005,302	12,604,191

## APPENDIX B

**FISCAL YEAR 1991 PRE-AWARD AUDITS SUMMARY REPORT**  
**SCHEDULE OF REPORTS ISSUED**  
COMMON IDENTIFICATION NUMBER A-02-92-02518

CIN	PREAWARD AUDIT TITLE	TOTALS AUDITED		RECOMM. ADJTS.	COSTS SET ASIDE	TOTAL NON ACCEPTED COSTS	ADJUDICATIONS			
		NUMBER	PROPOSED COSTS				RECOMMENDED FINANCIAL ADJUSTMENTS		COSTS SET ASIDE	
							CONCURRED	NOT CONCURRED	NOT AWARDED	CONCURRED
<b>REPORTS WITH UPWARD ADJUSTMENTS OR NO FINDINGS</b>										
A01-90-01522	TSI MASON RESEARCH INSTITUTE	1	3,339,249	0	0	0	0	0	0	0
A02-91-02909	NATIONAL BACTEROLOGICAL LABOR	1	13,893,102	0	1,740,280	1,740,280	0	0	0	0
A02-91-02528	RFSUNY-BUFFALO	1	1,071,791	0	0	0	0	0	0	0
A03-90-03349	UNITED NETWORK FOR ORGAN SHARING	1	1,700,000	0	0	0	0	0	0	0
A04-91-04023	DUKE UNIVERSITY	1	4,352,603	(56,598)	0	(56,598)	0	0	0	0
A04-91-04033	SOUTHERN RESEARCH INST.	1	6,622,924	0	0	0	0	0	0	0
A04-91-04038	RESEARCH TRIANGLE INST.	1	20,573,209	0	0	0	0	0	0	0
	SUBTOTAL	7	\$51,552,878	(\$56,598)	\$1,740,280	\$1,683,682	\$0	\$0	\$0	\$0
<b>REPORTS AWAITING AUDIT RESOLUTION</b>										
A04-91-04086	AMERICA SOCIAL HEALTH ASSOC.	1	23,645,837	(\$05,976)	5,441,429	4,933,433	N/A	N/A	N/A	N/A
A09-91-00151	LTG ASSOCIATES, INC.	1	1,045,431	6,919	254,382	261,301	N/A	N/A	N/A	N/A
	SUBTOTAL	2	\$24,691,268	(\$499,057)	\$5,695,811	\$5,196,734	\$0	\$0	\$0	\$0
<b>TOTAL OF ALL REPORTS</b>		50	\$332,427,309	\$13,279,001	\$71,519,937	\$84,798,938	\$4,770,557	\$159,592	\$8,005,302	\$12,604,191

N/A = NOT APPLICABLE

APPENDIX C

FISCAL YEAR 1991 PRE-AWARD AUDITS SUMMARY REPORT  
SCHEDULE OF FY 1991 COST REIMBURSABLE CONTRACTS AWARDED  
BY PHS OVER \$500,000

COMMON IDENTIFICATION NUMBER A-02-91-02518

CONTRACTS AWARDED AND PRE-AWARD AUDITS REQUESTED - BY AGENCY:

<u>AGENCY</u>	<u>COST REIMBURSABLE</u> <u>CONTRACTS</u>		<u>AUDITS REQUESTED</u>	
	<u>NUMBER</u>	<u>DOLLARS</u>	<u>*NUMBER</u>	<u>DOLLARS</u>
ADAMHA	106	\$131.7	4	\$74.7
CDC	42	62.0	6	87.4
FDA	20	17.0	0	0.0
HRSA	12	12.7	1	1.7
IHS	157	274.0	0	0.0
NIH	353	497.4	39	168.6
OASH	33	41.0	0	0.0
TOTALS	723	\$1,035.8	50	\$332.4

CONTRACTS AWARDED - BY MAJOR CATEGORY:

<u>CATEGORY TYPE</u>	<u>COST REIMBURSABLE</u> <u>CONTRACTS</u>	
	<u>NUMBER</u>	<u>DOLLARS</u>
RESEARCH	355	\$416.5
SERVICES	356	593.0
SUPPLIES & EQUIP.	5	3.6
CONSTRUCTION	3	18.4
OTHERS	4	4.3
TOTALS	723	\$1,035.8

(Dollars in millions)

\* Agencies only requested contract audits